

STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION
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INDIANA BELL TELEPHONE COMPANY,)
INC. d/b/a SBC INDIANA'S PETITION FOR)
ARBITRATION OF INTERCONNECTION)
RATES, TERMS AND CONDITIONS AND)
RELATED ARRANGEMENTS WITH AT&T)
COMMUNICATIONS OF INDIANA, GP)
PURSUANT TO SECTION 252(b) OF THE)
TELECOMMUNICATIONS ACT OF 1996)

CAUSE NO. 40571-INT04

FILED

OCT 08 2004

INDIANA BELL TELEPHONE COMPANY,)
INC. d/b/a SBC INDIANA'S PETITION FOR)
ARBITRATION OF INTERCONNECTION)
RATES, TERMS AND CONDITIONS AND)
RELATED ARRANGEMENTS WITH TCG)
INDIANAPOLIS PURSUANT TO SECTION)
252(b) OF THE TELECOMMUNICATIONS)
ACT OF 1996)

INDIANA UTILITY
REGULATORY COMMISSION

CAUSE NO. 40559-INT04

You are hereby notified that on this date, the Indiana Utility Regulatory Commission has caused the following entry to be made:

On July 8, 2004, the above-captioned Petition for Arbitration between Indiana Bell Telephone Company, Inc. d/b/a/ SBC Indiana (SBC) and AT&T Communications of Indiana and TCG Indianapolis was filed with the Commission.

On July 16, 2004, a docket entry was issued notifying the parties that Mr. John Kern would be the arbitrator facilitator in this Cause. The parties were to notify the presiding officers of the procedural schedule by July 23, 2004. However, an extension was requested and granted. Mr. Kern notified the presiding officers that the parties were negotiating a standstill agreement that would delay the arbitration by some period of time (e.g., 30 or 45 days). The notification stated that the extra time would be used primarily to negotiate the TRO related issues. The parties held a conference call on July 27, 2004, at which time both parties represented that an agreement in principle had been reached whereby SBC will file with the Commission, an amended Petition for Arbitration on Sept. 10. Within 15 days of the amended petition being filed, a status conference will be held at which time a revised schedule for completing this arbitration will be discussed.

On July 30, 2004, an agreement between the parties was sent to the presiding judge stating the parties recognize they are currently working under the terms and conditions of the currently existing AT&T and/or TCG interconnection agreements in Indiana until the successor agreements are approved. The parties agreed the refile date is September 17, 2004, and AT&T/TCG's reply to the July 8 petition as modified by the September 17, 2004 filing will be due no later than October 8, 2004.

On October 5, 2004, Mr. Kern notified the presiding officers that a new schedule for the arbitration had been agreed to by the parties as follows:

- 10/12 -- AT&T Response to SBC's updated Petition.
- 10/26 -- Parties file simultaneous direct testimony.
- 11/5 -- Parties file simultaneous rebuttal testimony.
- 11/10 -- One day hearing, if necessary.
- 11/24 -- Parties file initial briefs.
- 12/7 -- Parties file reply briefs.
- 12/30 -- Facilitator issues recommendation to the IURC.
- 1/27/05 -- IURC issues Order.

The parties also agreed to certain administrative issues. First, the parties will provide federal and/or state authority that supports their respective positions on each issue as part of their testimony. Second, the parties will jointly provide staff and Mr. Kern with an Index of Authorities. Specifically, a CD containing various decisions, rules, statutes, etc. cited by the parties in their respective filings will be sent a day or two following each filing. Third, the parties will inform the staff if they intend to arbitrate cost studies and/or pricing as part of this proceeding. Finally, the parties agreed to identify issues that are linked together when reply briefs are filed.

The presiding officers are concerned about the information submitted thus far. We realize that regulatory uncertainty exists regarding certain issues which may need to be arbitrated. However, it appears that the parties may not be providing this Commission with the quality of information we expect. The parties had over a two-month reprieve which should have given an opportunity to prepare for arbitration. The parties chose when to restart the arbitration process, which may have been somewhat premature. It is our understanding that the parties have yet to submit, in a single document, an up-to-date starting DPL (including all changes to the September 17 version, for all sections of the DPL) or red-lined agreement (including all changes to the September 17 version, for both the main body of the agreement and all attachments, appendices, and exhibits).

We understand that the parties are involved in several simultaneous arbitrations in multiple states and time is at a premium. However, the parties should have sufficient information by the time the testimony is filed on October 26 to provide those documents. We are aware that there has been mention of a possibility of 40 or more issues being taken out of the arbitration process. We are encouraged by such information. Therefore, we will allow the parties to delay the filing of the DPL and the updated red-lined

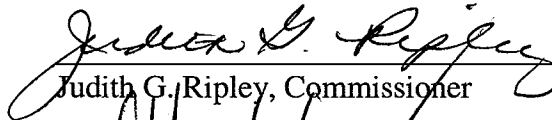
agreement until October 27, 2004. However, we expect the parties to utilize their best efforts to negotiate in the meantime so as to provide useful and accurate documents. Therefore, both the DPL and the redlined agreement should be cumulative, current, and comprehensive and should identify all known disputed issues for all sections, attachments, appendices, and exhibits, as applicable. Both documents should follow the formatting conventions for disputed issues utilized thus far. We will assume that the parties have agreed unless a dispute is specifically identified – e.g., through underlined and/or bolded text, or through other formatting conventions utilized thus far and indicating a dispute.

The parties are reminded that Section 252(b)(4)(B) of TA 96 states as follows:

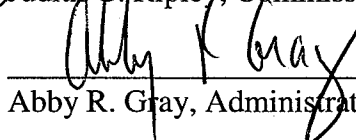
The State commission may require the petitioning party and the responding party to provide such information as may be necessary for the State commission to render a decision on the unresolved issues. If any party refuses or fails unreasonably to respond on a timely basis to any reasonable request from the State commission, then the State commission may proceed on the basis of the best information available to it from whatever source derived.

The presiding officers, being sufficiently advised in the premises, approve the agreement.

IT IS SO ORDERED.



Judith G. Ripley, Commissioner



Abby R. Gray, Administrative Law Judge

Date: October 8, 2004